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September 8, 1992

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Honorable Joseph Stirmer
Chief Administrative Law Judge
Federal Communications Commission
Room 224
2000 L Street, N.W.
Washington, D. C. 20554

92-201

In re MM Docket No. ~~92-201~~

Dear Judge Stirmer:

Transmitted herewith, on behalf of Gabelli Funds, Inc. and Mario J. Gabelli (hereinafter collectively referred to as "Investors") is, to the best of Investors' ability, the information ordered to be provided by Paragraph 6 of the *Order to Show Cause* (FCC 92-201) ("*Order*"), released on August 21, 1992 in MM Docket Number 92-201.

Preliminarily, it should be noted that Investors are neither Commission licensees nor applicants. Directly or indirectly, they provide discretionary investment management and broker-dealer services to a wide variety of clients, including employee benefit plans, registered investment companies, endowment funds, foundations, and private investors. They have been engaged in that business since 1977. Their investments are made, and their investment advice is provided, in the regular course of business, without intending to control or influence in any way the management of the issuing companies. In undertaking these investment activities, they are subject to extensive regulation by the Securities and Exchange Commission, the National Association of Securities Dealers, the U.S. Department of Labor, and State regulatory agencies. In this connection, the Investors have made extensive public disclosures of their interests in Commission regulated entities in the normal course of their compliance with Securities and Exchange Commission requirements.

The investments which Investors make or recommend are in publicly held companies, some of which hold Commission licenses or are otherwise regulated by the Commission. The Commission has not previously advised them that its rules might be viewed as regulating their conduct as non-licensees. They have no

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desire to violate the Commission's rules or to create situations where their holdings place regulated companies in actual or potential violation of those rules.

The *Order* directs Investors to show cause why they should not be ordered to cease and desist from violation of Sections 73.3555 and 76.501(a) of the Rules and Section 613 of the Communications Act. Investors do not, by complying with the *Order* to the extent of providing the enclosed information, concede the applicability of Sections 73.3555 and 76.501(a) of the Rules or Section 613 of the Communications Act to them, as entities which own and/or vote stock in licensee corporations but are not licensees. Investors take the position that they, as **non**-licensees, cannot, as a legal matter, themselves violate the cited rules or statutory provisions by holding interests in Commission licensees.

Nevertheless, Investors have made a good faith effort to furnish to the best of their ability as much as possible of the voluminous, and in most cases very difficult to ascertain, information called for by the *Order* in the short time which was made available (fifteen days, seven of which fell on weekends or holidays). As we understand paragraph 6 of the *Order*, the following information is sought:

1. A list of the names of all entities in which Investors have attributable interests which hold Commission licenses, certificates or other instruments of authorization, or which have applications pending before the Commission;
2. As to each such interest, its nature, date of acquisition, date it became attributable and, where relevant, its quantum;
3. As to each such entity, the type, nature and location of each Commission authorization held.

Substantial effort has gone into the preparation of this submission, and Investors believe that it is accurate with respect to broadcast licensee information.¹ They have a lesser level of confidence in the information provided as to telephone companies, cable television systems, and MDS-MMDS operators, for the reasons indicated generally below and in the body of the submission. As

¹ They have not attempted to obtain information about such minor authorizations auxiliary broadcast, private radio, or similar authorizations held by broadcast or other licensees.

minority stockholders², Investors have had to rely to a great extent on public documents, including industry trade directories, various Commission files and computerized databases, in compiling information for purposes of this submission. To the extent that such public documents, including ownership reports (FCC Forms 323), and other such materials, are inaccurate, those inaccuracies are also present here. It is also quite possible that, in at least some instances, the licensees involved may have acquired or disposed of Commission authorizations or of entities holding Commission authorizations without Investors' knowledge and without creating any public documents of which Investors have become, or could reasonably be expected to have become, aware. In the case of telephone companies, cable television systems, MDS and MMDS systems, for example, there are very limited Commission reporting requirements as to such matters, and the information which is publicly available is in very few instances catalogued in a manner permitting meaningful use here; to the extent that information is available, it is generally neither complete nor current³. The attached submission states the sources of the information it contains.

It is our understanding that many telephone companies, and most cable television systems, do not hold Commission licenses; moreover, when they do hold licenses, for example, point to point microwave licenses, cellular licenses, business radio authorizations, telephone maintenance authorizations, and the like, those authorizations have nothing to do with the present proceeding because there are no multiple ownership or cross ownership restrictions relating to those licenses. Accordingly, rather than attempt in such cases to provide the information described in Paragraph 3, above, Investors have made a good faith effort to determine and provide the information which they believe is relevant, *i.e.*, the geographic areas of operation of telephone companies and cable systems, by consulting the best available sources⁴.

² In only one instance do Investors hold an attributable interest other than as minority stockholders. Mr. Gabelli is the Chairman of the Board and Chief Executive Officer of Lynch Corporation.

³ By *Public Notice* released on August 7, 1992, the Commission asked all MDS applicants and licensees to examine its current database and report any discrepancies or omissions to the Commission by September 17, 1992.

⁴ In the case of cable television systems, Section 76.403 of the Rules requires that cable system operators furnish information in response to FCC forms mailed to them, including community unit data, physical system data, and ownership data, within sixty days of the receipt of such forms. However, it is our understanding that the Commission has not mailed such forms to cable operators for the past four years.

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In the case of telephone companies and cable systems, Investors have provided information on each entity in which they have an attributable interest of one percent or greater, even though the Commission's rules have been amended, effective December 8, 1992, to raise the attribution threshold to five percent.⁵

A number of interests noted in the *Order* are not reflected in the attached submission, because they are not believed to be attributable. Moreover, some interests which may be attributable for some purposes (e.g., telephone-cable matters) are not attributable for other purposes (e.g., broadcast-cable matters). In the event there are any questions concerning these or other matters, we will be available to work with the Bureau counsel in attempting to resolve them.

Very truly yours,



Alan Y. Naftalin

cc by hand: Roy J. Stewart, Esq.
Larry Miller, Esq.
Gary Schonman, Esq.

⁵ *Telephone Company - Cable Television Cross Ownership Rules* (CC Docket No. 87-266), FCC 92-37, released August 14, 1992.

INTRODUCTION TO EXHIBITS

The entities in which Gabelli Funds, Inc. and/or Mario J. Gabelli ("Investors") directly or indirectly hold attributable interests under Sections 21.912, 63.54, 73.3555, and 76.501 of the Commission's rules are described in the attached Exhibits. The Investors provided the list of the entities and, as to each interest, its size; the date of acquisition; the date that an initial Securities and Exchange Commission ("SEC") Schedule 13D was filed for the stock interest; and, when possible to determine, the date upon which the interest reached a five-percent threshold for SEC reporting purposes. The communications properties ascribed to each entity are based on industry guidebooks, Investors' examination of SEC material published by the entities, and Investors' consultations with officials of the entity.

Paragraph 6 of the Order To Show Cause (MM Docket No. 92-201), FCC 92-377, released August 21, 1992, requested information concerning the date on which an interest was acquired and, if not the same, the date on which it became attributable. Investors have tried to provide this information to the extent allowed by their computer tracking system which is programmed to permit compliance with requirements of the SEC.

The date given in the attached Exhibits for Investors' first acquisition of an entity's stock is the date that stock which is currently held by Investors was first purchased. It is possible, although not determinable from Investors' computer tracking

system, that other blocks of stock that are no longer held by Investors may have been acquired on an earlier date.

The Investors' computer tracking system permits determination of the filing date of an initial SEC Schedule 13D for the stock interests described in the attached Exhibits, and those dates have been provided. The SEC requires submission of Schedule 13D within ten days of the date that a stockholder's interest reaches a five-percent level; however, the SEC's definition of a five-percent interest and the Commission's definition of a five-percent interest are not in all cases the same.

For all interests that reached a five-percent investment level, as defined by the SEC, after April 1988, it is also possible to determine from Investors' computer tracking system the exact date that level was reached, and that information is also provided in the attached exhibits. The Investors' computer tracking system does not permit determination of the date that Investors' stock interests in entities with cable television, local telephone, and MDS/MMDS properties reached a one-percent level.

EXHIBITS

- 1 -- Attributable Interests under 47 C.F.R. §§ 73.3555 and
 76.501
- 2 -- Attributable Cable Television Interests under 47 C.F.R.
 § 63.54
- 3 -- Attributable Telephone Company Interests under 47
 C.F.R. § 63.54
- 4 -- Attributable MDS/MMDS Interests under 47 C.F.R.
 § 21.912

DERIVATION OF LISTS OF ATTRIBUTABLE MASS
MEDIA INTERESTS RELEVANT TO
47 C.F.R. § 73.3555 and 47 C.F.R. § 76.501

Unless otherwise noted, information regarding the radio and television station licenses held by each company described in this Exhibit was derived from ownership reports in the Commission's files. Information regarding pending applications and previously granted applications was derived from the Commission's FAIR reports and license files on the stations.

Information regarding the cable television interests held by Hector Communications Corporation ("Hector"), the only cable company in which Gabelli-related interests have an attributable interest under 47 C.F.R. § 76.501, was drawn from the Cable TV Branch's "Operator Mail Address/Reference List" database (as of June 6, 1992) and from information provided by Hector representatives.

ASSOCIATED COMMUNICATIONS CORPORATION

As of August 27, 1992, Investors were entitled to vote stock interests in Associated Communications Corporation ("Associated") representing 5.07 percent of the voting power in the company.

Interests in Associated were first acquired on June 21, 1982. The initial Schedule 13D for the interests was filed on August 26, 1988.

Associated is the licensee of WSTV(AM) and WRKY(FM) in Steubenville, Ohio.

CHRIS-CRAFT INDUSTRIES, INC.

As of August 27, 1992, Investors were entitled to vote stock interests in Chris-Craft Industries, Inc. ("CCII") representing 11.24 percent of the voting power in the company. Certain Gabelli-related entities also hold direct stock interests in BHC Communications, Inc. ("BHC") and United Television, Inc. ("United"), which are subsidiaries of CCII. These direct interests are not reported because CCII possesses a majority of the votes of the outstanding stock of BHC. BHC, in turn, owns shares in United representing a majority of the voting power in that company. (See ownership report for CCII, executed May 28, 1992, and ownership report for United Television, Inc., executed May 28, 1992.)

Interests in CCII were first acquired on July 11, 1981. The initial SEC Schedule 13D for the interests was filed on August 26, 1988.

Chris-Craft Industries, Inc. ("CCII"), through its subsidiaries, owns the following television broadcast stations:

- KMSP-TV, Minneapolis, Minnesota
(licensed to United Television, Inc.)
- KTVX(TV), Salt Lake City, Utah
(licensed to United Television, Inc.)
- KUTP(TV), Phoenix, Arizona
(licensed to United Television, Inc.)
- KBHK-TV, San Francisco, California
(licensed to UTV of San Francisco, Inc.)
- KMOL-TV, San Antonio, Texas
(licensed to UTV of San Antonio, Inc.)
- KCOP(TV), Los Angeles, California
(licensed to KCOP Television, Inc.)
- KPTV(TV), Portland, Oregon
(licensed to Oregon Television, Inc.)

On August 21, 1992, the FCC granted an application filed by BHC seeking to acquire control of the licensee of WWOR-TV, Secaucas, New Jersey. (See FCC File No. BTCCT-920514KE). The parties have not yet closed on that transaction.

HECTOR COMMUNICATIONS CORP.

As of August 27, 1992, Investors were entitled to vote stock interests in Hector Communications Corporation ("Hector") representing 22.70 percent of the voting power in the company.

Interests in Hector were first acquired on March 19, 1990. Investors' stock interest in Hector reached a five-percent level for SEC reporting purposes on August 10, 1990, and their initial SEC Schedule 13D for the interests was filed on August 16, 1990.

Hector, through its wholly-owned subsidiary Pine Island Telephone Company, operates cable television systems in Pine Island, Minnesota; New Haven, Minnesota; and Oronoco, Minnesota. According to a Hector Company official, another wholly owned subsidiary, North American Communications Corporation, is constructing a cable system to serve Hudson Township, Wisconsin.

THE LIBERTY CORPORATION

As of August 27, 1992, Investors were entitled to vote stock interests in The Liberty Corporation ("Liberty") representing 9.00 percent of the voting power in the company. The Commission has approved applications authorizing members of the Hipp family as a group to hold de jure and de facto control of the company. (See FCC File Nos. BTCCT-820916GU, BTCCT-820916GT, BTCCT-820916GP, BTCCT-820916GQ, and BTCCT-820916GR.)

Interests in Liberty were first acquired on March 20, 1987. Investors' stock interest in Liberty reached a five-percent level for SEC reporting purposes on April 26, 1990, and their initial SEC Schedule 13D for the interests was filed on May 2, 1990.

The Liberty Corporation is the corporate parent of Cosmos Broadcasting Corporation ("Cosmos"), which is the licensee of the following television stations:

- KAIT-TV, Jonesboro, Arkansas
- KPLC-TV, Lake Charles, Louisiana
- WAVE-TV, Louisville, Kentucky
- WFIE-TV, Evansville, Indiana
- WIS-TV, Columbia, South Carolina
- WSFA-TV, Montgomery, Alabama
- WTOL-TV, Toledo, Ohio

On June 22, 1992, Cosmos issued a press release, announcing that it had signed a letter of intent to sell the Toledo, Evansville, and Jonesboro properties to The Broad Street Companies. Assignment applications have not yet been filed.

LYNCH CORPORATION

As of August 27, 1992, Investors were entitled to vote stock interests in Lynch Corporation ("Lynch") representing 38.00 percent of the voting power in the company. Mr. Gabelli is also Chairman of the Board of Directors and Chief Executive Officer of Lynch.

Interests in Lynch were first acquired on July 7, 1982. The initial SEC Schedule 13D for the interests was filed on December 19, 1985. Mr. Gabelli became a director of Lynch on May 8, 1986 and Chairman of the Board and Chief Executive Officer on May 19, 1986.

Lynch, through its wholly owned subsidiary Lynch Entertainment Corporation, holds a twenty-percent interest as a general partner in Coronet Communications Company, the licensee of WHBF-TV in Rock Island, Illinois. The Lynch Corporation, through two subsidiaries, holds an interest in Hector Communications Corporation ("Hector") that is slightly in excess of five percent of the voting interests in that company. That interest has been included in totalling the 22.70 percent interest that Mario J. Gabelli and Gabelli-related entities hold in Hector.

OUTLET COMMUNICATIONS, INC.

As of August 27, 1992, Investors were entitled to vote stock interests in Outlet Communications, Inc. ("OCI") representing 11.97 percent of the voting power in the company.

Interests in OCI were first acquired on May 17, 1988. Investors' stock interest in OCI reached a five-percent level for SEC reporting purposes on March 6, 1989, and their initial SEC Schedule 13D was filed on March 9, 1989.

OCI, through its wholly-owned subsidiary Outlet Broadcasting, Inc. is the licensee of WCMH-TV, Columbus, Ohio, and WJAR-TV, Providence, Rhode Island.

ROCKLAND COMMUNICATORS, INC.
WEST-LAND COMMUNICATORS, INC.

As of August 27, 1992, Mario J. Gabelli personally was entitled to vote stock interests in Rockland Communicators, Inc. ("Rockland") and West-Land Communicators, Inc. ("West-Land") representing 20 percent of the voting power in each company. Mr. Gabelli does not serve as an officer or director of either company.

The twenty-percent interest in Rockland was acquired on November 11, 1985. The twenty-percent interest in West-Land was acquired on October 19, 1988. Each interest became attributable under 47 C.F.R. § 73.3555 on the date it was acquired.

Rockland Communicators, Inc. and West-Land Communicators, Inc., respectively, are the licensees of WRKL(AM), New City, New York, and WXPS(FM), Briarcliff Manor, New York.

DERIVATION OF CABLE COMMUNITY LISTS
RELEVANT TO 47 C.F.R. § 63.54

Unless otherwise noted, the location of cable systems owned by the entities described in this Exhibit was determined by consulting either the 1992 edition of the Television & Cable Factbook or the Cable TV Branch's database entitled "Operator Mail Address/Reference List" (June 6, 1992 edition). The 1992 Cable Factbook was used as the initial source because it lists systems by the name of the entities in which Investors hold shares. (See 1992 Television & Cable Factbook, Cable Vol., "Ownership of Cable Systems in the United States," pages D-1861 to D-1939.) The Cable TV Branch's database lists systems under the name of the entity operating the system, frequently a corporate subsidiary the name of which bears no similarity to the parent company's name. The Cable TV Branch's "Operator Mail Address/Reference List" database was used if a particular publicly held company did not appear in the Factbook.

The Cable TV Branch's database tends to show more communities attributable to the various cable companies. This is due primarily to the fact that the Cable TV Branch's database lists community subdivisions whereas the cable companies probably report to the Factbook the name of the larger or principal communities in which their systems are located. When the Factbook was used as the initial source, supplementary information from the Cable TV Branch's database was added if that database listed a community in a state that had not been mentioned in the Factbook.

C-TEC CORPORATION

As of August 27, 1992, Investors were entitled to vote stock interests in C-TEC Corporation ("C-TEC") representing 10.41 percent of the voting power in the company.

Interests in C-TEC were first acquired on July 25, 1986. Investors' stock interest in C-TEC reached a five-percent level for SEC reporting purposes on June 2, 1989, and their initial SEC Schedule 13D was filed on June 2, 1989.

According principally to the 1992 edition of the Cable Factbook, C-TEC owns cable systems in the following communities:

Florida [FCC]

Port St. Lucie

Michigan

Allendale
Baldwin
Bear Lake
Bellaire
Benzie County
Big Star Lake
Blendon Twp.
Cadillac
Caledonia
Caro
Carson City
Cass City
Custer
Delton
Durand
Elk Rapids
Empire
Ewart
Fife Lake
Fowler
Gladwin
Grand Haven
Grand Lake
Grant
Grayling
Greenville

Harrison
Holland Twp.
Houghton Lake
Howard City
Hudsonville
Indian River
Ionia
Kaleva (village)
Kalkaska
Kingsley
Lake Ann
Lakeview
Lapeer
Mancelona
Manistee
Manton
Marion
McBain
Mesick
Middleville
Morley
Nashville
Pellston
Pentwater
Posen
Reed City
Riverdale
Rockford
Rogers City
Roscommon
Rutland
Sand Lake
Sanford
Skidway Lake
St. Helen
Standish
Stanton
Suttons Bay
Traverse City
Vassar
West Branch
Whitehall

Minnesota [FCC]

Bayport
New Folden

New Jersey

Bernardsville
Far Hills (franchise)
Flemington
Gladstone
Hillsborough
Princeton

New York

Mahopac

Pennsylvania

Forest City

According to its 1991 Annual Report, C-TEC holds almost twenty percent of the stock of Mercom, Inc., a Michigan-based cable television company in which Mario J. Gabelli and/or companies he directly or indirectly controls held, as of August 27, 1992, 4.71 percent of the voting power. (See separate discussion of holdings of that company, infra.)

COMCAST CABLEVISION OF PHILADELPHIA

As of August 27, 1992, Investors were entitled to vote stock interests in Comcast Cablevision of Philadelphia ("Comcast-Philadelphia") representing 1.03 percent of the voting power in the company.¹ Over ninety percent of the issued and outstanding stock of Comcast-Philadelphia is held by Comcast Corp. Mario J. Gabelli and Gabelli-related entities hold an interest only in Comcast-Philadelphia and not in its corporate parent or any of the corporate parent's other subsidiaries.

The interest in Comcast-Philadelphia was first acquired on February 26, 1991. It has remained below five percent.

According to the Cable TV Branch's "Operator Mail Address/Reference List" database (as of June 6, 1992), Comcast-Philadelphia operates cable systems in the following communities:

Pennsylvania

Philadelphia -- Northeast
Philadelphia -- Northwest

¹ This interest will not be attributable on December 8, 1992, when the already adopted amendment to Section 63.54, which provides for a five-percent benchmark, becomes effective.

HECTOR COMMUNICATIONS CORPORATION

As of August 27, 1992, Investors were entitled to vote stock interests in Hector Communications Corporation ("Hector") representing 22.70 percent of the voting power in the company.

Interests in Hector were first acquired on March 19, 1990. Investors' stock interest in Hector reached a five-percent level for SEC reporting purposes on August 10, 1990, and their initial SEC Schedule 13D was filed on August 16, 1990.

According to the Cable TV Branch's "Operator Mail Address/Reference List" database (as of June 6, 1992), Pine Island Telephone Company, a wholly owned subsidiary of Hector, operates cable systems in the following communities:

Minnesota

New Haven
Pine island
Oronoco

According to a Hector company official, another wholly owned subsidiary, North American Communications Corporation, is constructing a cable system to serve the following community:

Wisconsin

Hudson Township

The same official reports that Pine Island Telephone Company was granted permission by the Commission to offer cable television service in areas where it provides local exchange service.

MEDIA GENERAL, INC.

As of August 27, 1992, Investors held 29.70 percent of the Class A stock of Media General, Inc. ("Media General"), which is entitled to elect 30 percent of the company's board of directors.¹

Interests in Media General were first acquired on April 27, 1987. Investors' stock interests in Media General reached a five-percent level for SEC reporting purposes on February 22, 1989, and their initial SEC Schedule 13D was filed on March 1, 1989.

According to the 1992 edition of the Cable Factbook, Media General owns cable systems in the following communities:

Virginia

Fairfax County
Fredricksburg

¹ Control of the company's Class B common stock, which is entitled to elect 70 percent of its board of directors, is reposed in the D. Tennant Bryan Media Trust. (See FCC Ownership Report, executed September 26, 1991.)